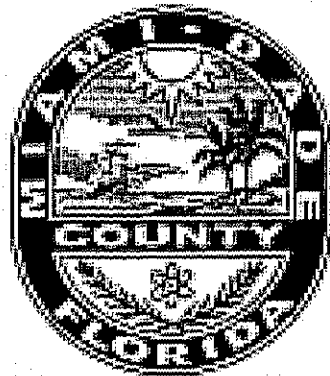


Miami Dade County

Stephen P. Clark Government Center
111 N.W. 1st Street
Miami, Fl. 33128



OFFICE OF THE COMMISSION AUDITOR
Legislative Division

Tuesday, October 19, 2004
9:30 am
Commission Chambers

Board of County Commissioners

Supplemental Information

**Overview of Local Preference Provisions pursuant to County Code
Including Amendments proposed by BCC Item 6(E)**

Jurisdiction	Definition of Local Business	Proof of local business	Penalties for Misrepresentation	Local Preference Procedure for Competitive Bids	Reciprocity
Miami-Dade	<p>Vendor has a valid occupational license issued by Miami-Dade at least 1 year prior to bid/proposal submission and a physical business address (not just a P.O. box) located within Miami-Dade from which the vendor operates or performs business.</p> <p>PROPOSED AMENDMENT: Vendor must contribute to the economic development and well-being of Miami-Dade in a verifiable and measurable way (e.g. support and increase the County's tax base). Vendors shall affirm in writing their compliance at time of submission. Note: A supplement from the Procurement Management Department is forthcoming that will propose standards for applying local preference, including defining what constitutes "economic development and well-being of Miami-Dade." For example, a firm that adds one job to the County may argue that this would entitle it to local preference.</p>	<p>Vendor submits copy of occupational license at time of vendor registration.</p> <p>PROPOSED AMENDMENT: Vendors shall affirm in writing their compliance at time of submission to be considered as a "local business." Note: The Manager (or Designee) makes the determination of local preference based on the written submission. Another vendor would have the opportunity to appeal the award recommendation via the bid protest process.</p>	<p>PROPOSED AMENDMENT: Vendor who misrepresents the Local Preference status of its firm will lose the privilege to claim local preference status for a period of up to one year. County Manager may also recommend debarment in accordance with County code. Note: If a contractor is debarred, affiliates (including parent companies) would not also be debarred. The County Attorney's Office indicated that, under the current debarment ordinance, affiliates would only be excluded from future County contracts if they were specifically named in the debarment proceedings and given a chance to respond.</p>	<p>If a non-local business gives the lowest bid and local business(es) is within 10% of the bid of the non-local business, then the non-local business and aforementioned local business(es) can submit a best and final bid. Contract award will be made to the responsive/responsible firm with the lowest best and final bid. In the case of a tie, contract award will be made to the local firm.</p>	<p>Miami-Dade may enter into an interlocal agreement with Broward, Palm Beach or Monroe County to extend preferences to vendors that have a valid occupational license issued by any of these counties. PROPOSED AMENDMENT: Same proof of local business as required of Miami-Dade businesses.</p>
Broward	<p>Vendor has a valid occupational license issued by Broward at least 1 year prior to bid/proposal submission and a physical business address (not just a P.O. box) located within Broward from which the vendor operates or performs business.</p>	<p>Vendor must provide a copy of the occupational license prior to recommendation for award.</p>	<p>none</p>	<p>Same as Miami-Dade, but the price differential is 5%.</p>	<p>Broward may enter into an interlocal agreement with Miami-Dade, Broward, Palm Beach, Monroe, Martin or any other South Florida County to extend preferences.</p>

Overview of Local Preference Provisions pursuant to County Code
Including Amendments proposed by BCC Item 6(E)

Jurisdiction	Definition of Local Business	Proof of local business	Penalties for Misrepresentation	Local Preference Procedure for Competitive Bids	Reciprocity
Palm Beach	Vendor has a valid occupational license issued by Palm Beach prior to bid/proposal submission and a physical business address (not just a P.O. box) located within Palm Beach. A joint venture/partnership is sufficient to qualify if at least one of the partners meets the requirements above.	The determination shall be made by County staff based upon documentation submitted by the firm at the time of submission. Staff may require the firm to provide additional information prior to award.	none	If a non-local business gives the lowest bid, the bids of local business(es) may be adjusted by 5% solely for the purpose of determining bid award. Local preference cannot be applied where it would result in award that exceeds the otherwise lowest bid by \$100,000.	Palm Beach may enter into an interlocal agreement with Broward, Martin or Miami-Dade to extend preferences.
Monroe	No Local Preference				

October 19, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION AUTHORIZING AN AMENDMENT TO AND RENEWAL OF THE CVM GROUP, INC. AGREEMENT FOR OPERATION OF RESTAURANT FACILITIES AT CRANDON GOLF COURSE AND AUTHORIZING THE COUNTY MANAGER TO EXECUTE SAME FOR AND ON BEHALF OF MIAMI-DADE COUNTY

Park and Recreation Department

I. SUMMARY

This resolution authorizes the renewal of a lease agreement with CVM Group, Inc. (CVM or Lessee) for operation of restaurant facilities at Crandon Golf Course. It also amends the lease agreement to require (in addition to the current Minimum Rent Guarantee) payments to the County of ten percent (10%) of all gross receipts.

Note: This item was discussed at the Sept. 15, 2004 Recreation & Cultural Affairs Committee and deferred to the next Committee meeting on Oct. 13, 2004, which was then subsequently rescheduled for Oct. 27, 2004. Due to the expiration of the current term on Oct. 31, 2004, this item was forwarded without recommendation to the full BCC.

II. PRESENT SITUATION

A brief timeline of events:

- 1988: The County entered into a lease agreement with Mangrove Services, Inc. to operate the Key Biscayne Golf Course Restaurant and Clubhouse.
- 1992: Through bankruptcy proceedings, the lease was assigned to CVM Group, Inc. The Minimum Rental Guarantee was reduced from \$2,000 per month to \$1,500 per month.
- 1994: The County determined that the existing County facilities did not meet building code requirements. The County provided temporary facilities for CVM to continue to operate.
- 1996: The Crandon Master Plan requires that existing contracts must comply with the Plan upon renewal. One provision is that private commercial operators at Crandon Park must pay as rent to the County ten percent (10%) of all gross receipts.
- 2004: The County has completed construction of a new Crandon Golf Clubhouse and CVM is occupying the restaurant facilities included in the clubhouse. The current lease expires on Oct. 31, 2004.

The original 1988 lease agreement allowed for administrative renewals of the lease (provided that the lease is in effect for no more than 30 years). However, the renegotiation in the lease terms requires BCC approval. The current lease also provides for rental rate reviews *at each renewal or extension period thereafter*.

Nel Veniza of New Orleans is the owner of CVM Group, Inc. and Andrew Marquez is President and on-site Manager.

This item was discussed at the 9/15/04 Recreation & Cultural Affairs Committee and deferred to the next meeting (which was subsequently rescheduled to 10/27/04). It was forwarded to the full BCC because the lease expires on 10/31/04.

October 19, 2004

III. POLICY CHANGE AND IMPLICATION

In the proposed ten-year renewal, the only lease term that is changed is the percentage of gross receipts CVM must pay to the County.¹ CVM currently pays the County a Minimum Rental Guarantee (MRG) of \$1,500 per month and a percentage of gross receipts greater than \$800,000. In compliance with the Crandon Park Master Plan, the renewal would require, in addition to the MRG, payment of 10% of all gross receipts.

IV. ECONOMIC IMPACT

Under the current lease, in the past seven years, the County has basically received the MRG of \$1,500 (which is \$18,000 per year) because the minimum threshold before a percentage of gross receipts are paid (\$800,000 annually) has never been reached. This lease amendment would provide for, in addition to the current MRG, 10% of all gross receipts. This would be in line with the Crandon Master Plan approved in 1996.

In comparison to the current lease terms, this would generate additional revenues to the County; however, projected numbers could not be calculated because annual gross receipts were not available prior to printing.

V. COMMENTS

An extension of the lease for less than 10 years is possible, as one-year renewals were granted during the construction of the new clubhouse. The renewal provisions only limits the total duration of the lease to 30 years.

Staff did not respond to the following questions before printing:

- 1) Considering that the original lease is from 1988, there are four one-year renewals left, the current lessee is not the original firm that won the contract, and this is the only restaurant at the Clubhouse (or is it), why isn't this contract going out to bid?
- 2) Has market research been done to evaluate what other restaurants or similar could be at the Clubhouse? Especially since it's a new facility and good location, there may be a more potentially lucrative arrangement for the County.
- 3) Why hasn't the minimum guarantee been amended to reflect increased costs, inflation, etc? The \$1,500 rate is over 10 years old.
- 4) What is the 10 year renewal period that would be effectuated if this item is adopted? Is it 10/1/04 to 10/1/14, as the lease amendment indicates? When exactly did CVM take over the lease agreement? If this amendment is adopted, in what year with the 30 year term limit be reached?
- 5) Does pricing and menu have to be approved by the County? Has an updated list been provided and approved?
- 6) Does this vendor currently provide other restaurant/concession services to the County?
- 7) Has the County Attorney reviewed the 1988 Lease Agreement for legal sufficiency to current standards, as boiler plate contract language has changed over time?

¹ The Premises Description is also being substituted to reflect the new restaurant facilities.

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

ITEM 11(A)(4)

RESOLUTION RELATING TO THE COUNTY'S ACQUISITION OF ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE AND RELATED INTEGRATION SERVICES; ADOPTING COUNTY MANAGER'S RECOMMENDED PROCESS FOR SELECTION AND ACQUISITION; REJECTING PROPOSALS RECEIVED FOR RFP 360A AND 360B; AMENDING RESOLUTION R-602-04 [SEE AGENDA ITEM NO. 11A5]

ITEM 11(A)(5)

RESOLUTION REJECTING PROPOSALS RECEIVED THROUGH RFP 360A AND B FOR FINANCIAL SYSTEMS (ERP) FOR WASD AND MDAD AND PROGRAM QUALITY ASSURANCE CONSULTANT, VACATING RESOLUTION R-602-04 WAIVING BID PROTEST PROCEDURES AND AUTHORIZING THE ADVERTISING OF TWO SEQUENTIAL REQUESTS FOR PROPOSALS FOR SOFTWARE AND INTEGRATION SERVICES AND A SUBSEQUENT REQUEST FOR PROPOSAL FOR QUALITY ASSURANCE SERVICES IF REQUIRED [SEE AGENDA ITEM NO. 11A4]

County Manager

I. SUMMARY

Item 11(A)(4) would reject proposals received and waive the bid protest procedures for RFP360 (Parts A and B) Water & Sewer Department and Aviation Department Financial Systems (ERP Software). It further authorizes the County Manager to convene at least three high level executives¹ to:

- (1) do market research to determine if there are any ERP software products that exist which have not already been evaluated under this RFP and might meet the County's needs and
- (2) make a written recommendation to the County Manager as to the ERP software and associated integration/implementation services that represent the best value to the County, so that the Manager can authorize any negotiations necessary to result in a contract for Board approval by December 2004.

Item 11(A)(5) is an alternative to 11(A)(4): reject proposals received for RFP360A and 360B and re-advertise RFP360A without B/H/WBE measures. It further authorizes subsequent advertisement of RFP360B, if the need is determined.

The reason for these two items are the need to be compliant with recent court rulings that Black/Hispanic/Women Business Enterprise (B/H/WBE) programs can no longer be applied to the bid and award of any County contract.

[RFP360A was to provide Enterprise Resource Planning (ERP) software, integration and implementation services; it included a five percent (5%) BBE goal. 360B was for a project quality assurance consultant throughout the planning and implementation phases of the ERP software; it included a five percent (5%) set-aside for minority firms approved by the Department of Business Development.]

¹ This "fact-finding" group is proposed to consist of representatives from the user departments (Water & Sewer and Aviation) and an IT executive appointed by the County's Chief Information Officer.

BCC ITEM 11(A)(4) and 11(A)(5)

October 19, 2004

II. PRESENT SITUATION

Enterprise Resource Planning (ERP) software in this RFP refers to a comprehensive financial software platform. Both the Water & Sewer Department and Aviation have been seeking a fully-integrated financial system for almost 10 years (since 1992 and 1996, respectively). See Comments for responses from these departments regarding the need to replace their systems.

This RFP was originally advertised in June 2002. In the evaluation process of the RFP, it was determined to be in the best interest of the County to award the contract on technical quality only (not also on price, as the RFP required) due to the highly technical nature of the product, and, in May 2004, the BCC concurred with the Manager's recommendation to negotiate directly with the highest technically-ranked firm (and subsequent firms, if needed) to reach a "fair and reasonable" agreement based on available benchmark data from other public entities that have purchased and implemented ERP, industry experts that have worked on ERP systems, and the County's own data as it pertains to unit costs for licenses, hourly rates for installation and integration and system maintenance.

III. POLICY CHANGE AND IMPLICATION

While negotiations with Maximus/Peoplesoft (the highest technically-ranked firm under RFP360A) have resulted in a proposed contract with very favorable terms to the County according to the Manager, the recent court rulings have necessitated the need to effectuate this contract under a new process, either by awarding it under a bid waiver situation or re-advertising the RFP and starting over. It should be noted that this has already been an over two year process, and there is no guarantee that the pricing issue, or another issue, would not exist with a new RFP, particularly since the ERP is a very comprehensive and technical product (functional requirements alone are 35 pages long). Under Item 11(A)(4), a proposed contract would be before the BCC by December 2004. Due to the RFP process, Item 11(A)(5) would delay the award of a contract further.

Essentially, to comply with the court rulings, Item 11(A)(4) would allow the County to procure the ERP software without doing a new RFP, via the Manager's proposed method. Item 11(A)(5) would result in a new advertisement of two separate RFP's, one for the ERP software and one for the integration/implementation services (both components were advertised in a single solicitation originally). Items 11(A)(4) and 11(A)(5) both terminate RFP360B (quality assurance consultant) of the existing solicitation, even though proposals were received, to determine whether a quality assurance firm will be utilized after the software product and integration services have been selected. Item 11(A)(5) also authorizes the advertisement of a subsequent RFP for this service, if needed.

IV. ECONOMIC IMPACT

It cannot be determined which method of procurement would result in the most favorable financial terms for the County. Under Item 11(A)(4), instead of utilizing typical competitive processes, it provides for a fact-finding group to do market research to make a recommendation on which product (and associated services) would be in the County's

BCC ITEM 11(A)(4) and 11(A)(5)

October 19, 2004

best interest and provides for the Manager to authorize any negotiations needed to result in a contract. As with the current RFP, the recommendation for award under a new RFP [Item 11(A)(5)] would be based on technical quality alone, but would allow the County to attempt to negotiate with the highest ranked (and next highest ranked, if needed) to obtain a contract with the most favorable terms.

According to original 2002 resolution to authorize advertisement of the RFP:

FUNDING SOURCE: WASD: Capital Projects Budget (Approx. \$4,000,000)

MDAD: Aviation Revenue Fund (Approx. \$3,000,000)

COST ESTIMATE: \$7,000,000

V. COMMENTS

In May 2004, WASD and Aviation were asked if a negative fiscal impact would occur from the delay in awarding this contract. They responded as follows:

Water & Sewer Department

The Water and Sewer Department currently utilizes the GEAC General Ledger System and related modules/interfaces as our financial accounting system. The Department has been researching/pursuing a new financial accounting system for more than twelve years. The GEAC System currently does not meet the Department's functional requirements and the Department does not have a support and maintenance agreement with GEAC and the cost to obtain an updated support agreement would be in the millions of dollars requiring a bid waiver. It is imperative that the current selection process continue to ensure that the Department can appropriately and productively account for our \$2 billion Capital Improvement Program, \$400 million in revenues, expenses, debt service and transfer payments.

Aviation Department

MDAD has been trying to get an integrated system since 1996. The continuation of the above described-environment is not efficient and it impairs MDAD from improving and upgrading its operation. We have a \$4.8 billion Capital Improvement Program (CIP) that does not have a common system to track and monitor the financial implication of it. We have the in-house Revenue System (RAS) to track and collect our \$450+ million (annual operating revenue) that is outdated and is not upgradeable and it's definitely antiquated compared to today's environment and has resulted in the delay of collecting our revenue. In our CIP, we process about 100 invoices/payments weekly and we disburse about \$2 million a day. Financial information can not be readily available from the system for management's use unless it is manually reconstructed.

The Aviation Department has a great and immediate need for a Fully-Integrated Financial System. Any delay in acquiring the ERP will definitely have a negative impact on our ability to accurately and efficiently monitor our CIP and operating costs. It's imperative to have this ERP in place expeditiously to ensure our commitment to the airlines, customers, traveling passengers, bonds holders and the general public, in achieving our business plan in the following four important and critical areas: Safety & Security, Customer Service, Economic Vitality and Environmental Responsibility.